

**STATE RISK MANAGEMENT WORKERS COMPENSATION FUND  
INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2008**

	July-08				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	FYTD	FY08	Ended	Ended
				Net ROR	Net	Net	6/30/2008	6/30/2008
							Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
Los Angeles Capital	121,868	4.0%	4.2%	-1.18%	-1.18%	-7.79%	7.68%	N/A
<b>Total Structured Growth</b>	<b>121,868</b>	<b>4.0%</b>	<b>4.2%</b>	<b>-1.18%</b>	<b>-1.18%</b>	<b>-7.79%</b>	<b>7.68%</b>	<b>N/A</b>
Russell 1000 Growth				-1.90%	-1.90%	-5.96%	5.91%	
<i>Structured Value</i>								
<b>LSV</b>	<b>108,356</b>	<b>3.6%</b>	<b>4.2%</b>	<b>-0.58%</b>	<b>-0.58%</b>	<b>-21.43%</b>	<b>3.81%</b>	<b>N/A</b>
Russell 1000 Value				-0.36%	-0.36%	-18.78%	3.53%	
<i>Russell 1000 Enhanced Index</i>								
<b>LA Capital</b>	<b>235,681</b>	<b>7.8%</b>	<b>8.3%</b>	<b>-2.05%</b>	<b>-2.05%</b>	<b>-9.54%</b>	<b>6.97%</b>	<b>N/A</b>
Russell 1000				-1.16%	-1.16%	-12.36%	4.81%	
<i>S&amp;P 500 Enhanced Index</i>								
<b>Westridge</b>	<b>242,062</b>	<b>8.0%</b>	<b>8.3%</b>	<b>-0.73%</b>	<b>-0.73%</b>	<b>-12.18%</b>	<b>4.98%</b>	<b>N/A</b>
S&P 500				-0.84%	-0.84%	-13.12%	4.41%	
<i>Index</i>								
State Street	78,721			-1.16%	-1.16%	-18.24%	2.93%	N/A
<b>Total 130/30</b>	<b>78,721</b>	<b>2.6%</b>	<b>2.8%</b>	<b>-1.16%</b>	<b>-1.16%</b>	<b>-18.24%</b>	<b>2.93%</b>	<b>N/A</b>
S&P 500				-0.84%	-0.84%	-13.12%	4.41%	
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>786,689</b>	<b>25.9%</b>	<b>27.8%</b>	<b>-1.22%</b>	<b>-1.22%</b>	<b>-12.71%</b>	<b>5.68%</b>	<b>N/A</b>
S&P 500				-0.84%	-0.84%	-13.12%	4.41%	
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
<b>SEI</b>	<b>128,958</b>	<b>4.3%</b>	<b>4.6%</b>	<b>0.99%</b>	<b>0.99%</b>	<b>-20.93%</b>	<b>2.06%</b>	<b>N/A</b>
Russell 2000 + 200bp				3.87%	3.87%	-14.48%	5.88%	
<i>Enhanced</i>								
<b>Research Affiliates</b>	<b>135,322</b>	<b>4.5%</b>	<b>4.6%</b>	<b>2.98%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000				3.70%	3.70%	-16.19%		
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>264,281</b>	<b>8.7%</b>	<b>9.3%</b>	<b>1.97%</b>	<b>1.97%</b>	<b>-21.14%</b>	<b>1.97%</b>	<b>N/A</b>
Russell 2000				3.70%	3.70%	-16.19%	3.79%	
<b>DOMESTIC FIXED INCOME</b>								
<i>Core Bond</i>								
<b>Western Asset</b>	<b>563,915</b>	<b>18.6%</b>	<b>18.6%</b>	<b>-1.78%</b>	<b>-1.78%</b>	<b>2.06%</b>	<b>2.76%</b>	<b>N/A</b>
Lehman Aggregate				-0.08%	-0.08%	7.12%	4.09%	
<i>Mortgage Backed</i>								
<b>Hyperion</b>	<b>123,630</b>	<b>4.1%</b>	<b>4.8%</b>	<b>-8.02%</b>	<b>-8.02%</b>	<b>-20.24%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Global Aggregate (US Securitized Portion)				-0.06%	-0.06%	10.14%		
<i>Core Plus/Enhanced</i>								
Clifton Group	165,946	5.5%	4.8%	0.45%	0.45%	10.17%	N/A	N/A
Prudential	165,434	5.5%	4.8%	-0.24%	-0.24%	4.89%	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>331,379</b>	<b>10.9%</b>	<b>9.6%</b>	<b>0.10%</b>	<b>0.10%</b>	<b>7.55%</b>	<b>N/A</b>	<b>N/A</b>
Lehman Aggregate				-0.08%	-0.08%	7.12%		
<i>Index</i>								
<b>Bank of ND</b>	<b>289,803</b>	<b>9.6%</b>	<b>8.4%</b>	<b>0.07%</b>	<b>0.07%</b>	<b>7.68%</b>	<b>3.93%</b>	<b>N/A</b>
Lehman Gov/Credit (1)				0.00%	0.00%	7.24%	3.84%	
<i>BBB Average Quality</i>								
<b>Wells Capital (formerly Strong)</b>	<b>577,848</b>	<b>19.1%</b>	<b>18.6%</b>	<b>-0.59%</b>	<b>-0.59%</b>	<b>3.55%</b>	<b>3.04%</b>	<b>N/A</b>
Lehman US Credit BAA				-0.67%	-0.67%	2.62%	2.52%	
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>1,886,575</b>	<b>62.2%</b>	<b>60.0%</b>	<b>-1.24%</b>	<b>-1.24%</b>	<b>2.32%</b>	<b>3.89%</b>	<b>N/A</b>
Lehman Aggregate (2)				-0.08%	-0.08%	7.12%	4.09%	
<b>CASH EQUIVALENTS</b>								
<b>Bank of ND</b>	<b>94,399</b>	<b>3.1%</b>	<b>3.0%</b>	<b>0.16%</b>	<b>0.16%</b>	<b>3.43%</b>	<b>4.10%</b>	<b>N/A</b>
90 Day T-Bill				0.18%	0.18%	3.63%	4.27%	
<b>TOTAL RISK MANAGEMENT FUND</b>	<b>3,031,943</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.91%</b>	<b>-0.91%</b>	<b>-3.99%</b>	<b>3.60%</b>	<b>N/A</b>
<b>POLICY TARGET BENCHMARK</b>				<b>0.07%</b>	<b>0.07%</b>	<b>-0.98%</b>	<b>4.34%</b>	

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.